

ORDINANCE NO. 1170

AN ORDINANCE TO AMEND THE WATER RATES AND CHARGES FOR THE TOWN OF SPEEDWAY, INDIANA

WHEREAS, the Town of Speedway, Indiana (the “Town”), has heretofore constructed and has in operation waterworks pursuant to IC 8-1.5-1 et seq. for the purpose of treating and distributing water to the residents of the Town; and

WHEREAS, the Town Council of the Town (“Council”) has previously by ordinance established the existing schedule of user rates and charges for water service; and

WHEREAS, the Town has employed Crowe Horwath LLP (the “Financial Advisor”) to prepare a rate report reviewing the sufficiency of such existing rates and charges; and

WHEREAS, the Financial Advisor has prepared and submitted a rate report dated June 4, 2010 (the “Rate Report”) which concludes that existing rates and charges are insufficient to pay all the legal and other necessary expenses incident to the operation of the utility, including maintenance costs, operating charges, upkeep, repairs, depreciation, including increases in such costs, and interest charges on bonds or other obligations; and

WHEREAS, the Rate Report contemplates the issuance of waterworks revenue bonds (the “Waterworks Revenue Bonds”) to pay the costs of certain improvements to the treatment plants and distribution lines as set forth in the Five Year Capital Plan; and

WHEREAS, pursuant to Ind. Code § 8-1.5-3-8.1, this Council may change or adjust its existing schedule of fees by ordinance after providing notice and conducting a public hearing; and

WHEREAS, the Council desires to phase any necessary rate increase in over a period of six months to coincide with the issuance of bonds and reduce the impact of the increased costs and modified rates; and

WHEREAS, Ind. Code § 8-1.5-3-8 authorizes this Council to adopt by ordinance a nondiscriminatory, reasonable and just schedule of fees for water services rendered by the Town’s water works system; and

WHEREAS, Ind. Code § 8-1.5-3-8, authorizes this Council to exercise reasonable discretion in adopting different schedules of fees, or making classifications in schedules of fees, to ensure that the rates and charges produce an income sufficient to maintain the utility property in a sound physical and financial condition to render adequate and efficient service, and whereas rates and charges too low to meet these requirements are deemed unlawful; and

WHEREAS, the Clerk-Treasurer of the Town has given notice of the public hearing on proposed rates pursuant to the Act; and

WHEREAS, a public hearing was held before this Council on July 26, 2010 at which time testimony from interested persons was received, after introduction of this ordinance and pursuant to the Act.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF SPEEDWAY, INDIANA:

Section 1. The Council hereby finds and determines that, based upon the Rate Report, the existing rates and charges are insufficient to pay all the legal and other necessary expenses incident to the operation of the utility, including maintenance costs, operating charges, upkeep, repairs, depreciation, including increases in such costs, and interest charges on bonds or other obligations.

Section 2. The Council finds and determines that the proposed rates and charges as set forth in the Rate Report, and included herein, are nondiscriminatory, reasonable and just and therefore should be adopted.

Section 3. Section 13.20.010 of the Speedway Municipal Code is hereby amended as follows:

“13.20.010 Schedule. There shall be and there are established for the use of and the service rendered by the waterworks system of the Town the following rates and charges, based on the use of water supplied by the waterworks system:

(a) METERED RATES PER MONTH

	Phase I Rate Per <u>1,000 Gallons</u>	Phase II Rate Per <u>1,000 Gallons</u>
First 10,000 gallons	\$3.72	\$4.15
Next 15,000 gallons	2.68	2.98
Next 75,000 gallons	2.16	2.41
Next 750,000 gallons	1.74	1.94
Over 850,000 gallons	1.50	1.68

(b) MINIMUM CHARGES

Each user shall pay a minimum charge, based upon the size of the meter installed, for which the user shall be entitled to the quantity of water set out in the metered schedule of rates:

	Phase I Rate per <u>Month</u>	Phase II Rate Per <u>Month</u>
5/8-inch meter	\$ 15.93	\$ 17.74
3/4-inch meter	31.71	35.31
1-inch meter	47.92	53.36
1-1/2-inch meter	75.78	84.39
2-inch meter	116.16	129.36
3-inch meter	227.22	253.05
4-inch meter	328.23	365.53
6-inch meter	555.51	618.63

8-inch meter	959.51	1,068.54
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(c) PRIVATE FIRE PROTECTION SERVICES

	Phase I Rate per <u>Annum</u>	Phase II Rate per <u>Annum</u>
Automatic Sprinkler Service	\$1,592.38	\$1,773.33
Standpipe Connection	479.21	533.67
Each Fire Hydrant	1,061.58	1,182.22

(e) MONTHLY PUBLIC FIRE PROTECTION CHARGES

Each user shall pay a minimum charge, based upon the size of the meter installed, for which the user shall be entitled to the quantity of water set out in the metered schedule of rates:

	Phase I Rate per <u>Month</u>	Phase II Rate per <u>Month</u>
5/8-inch meter	\$1.62	\$ 1.81
3/4-inch meter	1.62	1.81
1-inch meter	4.16	4.63
1-1/2-inch meter	9.35	10.41
2-inch meter	16.63	18.52
3-inch meter	37.41	41.66
4-inch meter	66.50	74.06
6-inch meter	149.64	166.64
8-inch meter	266.01	296.23

(f) TEMPORARY USERS

Water furnished to temporary users such as contractors, special events, etc., shall be charged on the basis of the above-metered rates.

Section 4. Section 13.20.020 is hereby revised as follows:

“13.20.020. Effective date of revised rates and charges. The rates and charges as revised and fixed by the ordinance codified herein shall become effective for services rendered prior to and billed on and after the following dates:

Phase I – October 1, 2010

Phase II - Date of Issuance of Waterworks Bonds.

Adopted this ____ day of August, 2010.

TOWN COUNCIL OF THE TOWN OF
SPEEDWAY, INDIANA

William Suffel, President

Jeff S. Hartman, Vice President

Lucinda Hillmer, Member

Gary L. Raikes, Member

Eileen Fisher, Member

ATTEST:

Sharon L. Zishka, Clerk-Treasurer